Media Release

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Historic alliance calls for a national task force on carbon capture and storage

In an historic alliance, industry, union and environment organisations today called on the Federal Government to establish a *National Carbon Capture and Storage Taskforce* to combat climate change.

The new taskforce, proposed by the Australian Coal Association (ACA), the CFMEU, The Climate Institute and WWF, would be charged with developing and implementing a nationally coordinated plan to oversee rapid demonstration and commercialisation of 10,000 GWh of carbon capture and storage (CCS) electricity per year by 2020.*

ACA Executive Director Mr. Ralph Hillman said: "The proposed CCS taskforce will play a vital role in ensuring that Australia is CO_2 storage-ready before 2020.

"The black coal industry is now funding a number of demonstration projects through its billion dollar Coal21 Fund with the aim of deploying commercial scale low emission coal technology in the power sector by 2020."

CFMEU National President Mr. Tony Maher said: "Rapid demonstration of CCS in Australia is essential to securing employment prospects in regional Australia – jobs in coal mining and jobs in new high-tech CCS power plants.

"Mineworkers know that their industry and their jobs only have a future if coal use – and gas use - becomes a low emission industry here and overseas. And with coal being Australia's largest export industry, we need to lead the way in the development of that technology."

The Climate Institute CEO Mr. John Connor said: "Australia has a choice - it can be a technology maker or a technology taker. Ensuring all new electricity load is met by clean energy sources will position Australia at the forefront of the global boom in these technologies – and cut the long term cost of reducing emissions.

"Australia's leadership in the development of CCS can also contribute to emissions reduction in emerging economies such as China and India."

WWF CEO Greg Bourne said: "Rapid deployment of low and zero emission technologies, including CCS, is needed if we are to avoid dangerous climate change.

"Unfortunately market forces and emissions trading alone will be insufficient to overcome barriers to commercial scale deployment of CCS.

(over/)

"We need to build demonstration plants now if we expect commercialisation before 2020. The only way we can ensure this will happen is through a coordinated effort by Commonwealth and State Governments and by industry."

*The equivalent of three 500 MW Power Stations.

For more information:

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Background:

Key tasks that would underpin the Terms of Reference for the Taskforce would include:

1. By September 2008, facilitate the implementation of nationally consistent federal and state legal framework governing storage, including appropriate legislation, regulatory regimes, approvals and institutional arrangements to accelerate CCS in both onshore and offshore jurisdictions.

2. Undertake national mapping exercise of geological basins to identify sites with the potential to securely store large volumes of CO2 for several decades and form the basis for identifying potential "regional storage hubs".

3. Develop a detailed infrastructure strategy and blueprint to identify potential common user pipelines and injection point infrastructure to link major "regional storage hubs.

4. Develop a pipeline investment framework.

5. Develop monitoring, evaluation, reporting and verification protocols.

6. Develop an Education campaign.

7. Prioritise and fast track the current demonstration projects, including overcoming the large costs associated with the demonstration of CCS. Consideration could be given, but not limited to:

    - Selection of flagship projects to be identified and recommended for funding from the approx. $2 billion currently available from industry and government funds.
    - Identification of priorities for other funding from other revenue streams (e.g. revenues generated from the auctioning of permits under the emissions trading system).
    - Special case liabilities and warranties for demonstration projects where Government takes joint responsibility need to be identified.

8. By September 2008, develop a policy instrument to overcome the first-mover barriers to commercial scale CCS deployment. This should be complementary to emissions trading and other national low emission technology initiatives and aim to achieve 10,000 GWh of power generation from integrated CCS technologies in 2020. Specific policy mechanisms to be explored, but not limited to, include:

    - Expanded public/private partnerships.
    - Establishing a market based Carbon Capture and Storage Target Scheme or Feed-in-Tariff.
    - Tax incentives and accelerated depreciation.
    - Regulator standards/benchmarks to avoid the lock in of high emission fossil fuel power generation.